

**STATE OF COLORADO
ANNUAL STATEMENT OF PROPERTY
2006 DECLARATION
RURAL ELECTRIC COMPANY**

**COLORADO DIVISION OF PROPERTY TAXATION
STATE ASSESSED PROPERTY SECTION
1313 SHERMAN STREET, ROOM 419
DENVER, COLORADO 80203
FAX: (303)866-4000**

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DUE APRIL 3, 2006

Please make changes to label if needed

Type of State Assessed Company: ER
Rural Electric Company

Company Name : _____

Federal Employer Identification Number: _____

Contact / Dept. : _____

(first) (last)

Street Address : _____

Unit / Suite # : _____

City, State, Zip : _____

Colorado Registered Agent

State of Incorporation: _____

Name: _____

Year Colorado Operations Began: _____

(first) (last)

Company Contact for this report:

Tax agent contact for this report: (Note 1)

Name: _____

Name: _____

(first) (last)

(first) (last)

Title: _____

Title: _____

Phone: _____

Phone: _____

Fax: _____

Fax: _____

Email: _____

Email: _____

DECLARATION

I declare under the penalty of perjury in the second degree that this statement, together with any accompanying exhibits or schedules, has been examined by me and, to the best of my knowledge, information, and belief, sets forth a full and complete list of all taxable property owned, in the possession or under the control of the reporting entity. I further declare that such property has been reasonable described with its value fairly represented, and that no attempt has been made to mislead the Property Tax Administrator as to its age, quality, or value.

(Signature) _____

(Name) _____

(Title) _____

(Date) _____

Note 1: If the reporting entity uses an agent to prepare or represent the reporting entity in matters related to this 2006 Annual Statement of Property, a letter of authorization signed by an officer of the reporting entity must be submitted as an addenda to this report.

GENERAL INSTRUCTIONS
ALL REQUESTED INFORMATION IS AS OF DECEMBER 31, 2005
THIS IS A CONFIDENTIAL DOCUMENT

This report with all attachments must be postmarked on or before APRIL 3, 2006. Failure to file by April 3, 2006 results in a PENALTY OF \$100 PER DAY, beginning April 4, 2006, unless an extension is granted. When an extension is granted, filing is due on or before May 1, 2006, and penalties start on May 2, 2006. The total penalty cannot exceed \$3,000.

You must complete this report or an identical reproduction. Complete reports must include all requested information for all pages. The only exceptions are: Page 2, the additional documents requested must be filed by May 1, and Page 6, for non-publicly traded companies. Incomplete pages will be returned for completion. Failure to complete and return these pages within seven days will result in the commencement of a \$100 per day penalty and a Best Information Available valuation. The total penalty cannot exceed \$3,000.

The following documents **MUST BE FILED IN ADDITION** to this report if applicable to the parent or reporting company:

- (a) Balance sheet, income statement, statement of retained earnings and statement of cash flows.
- (b) SEC Form 10-Ks, and 10-Qs if other than December 31, fiscal year end.
- (c) Annual Report to Share/Stockholders,
- (d) Annual Report(s) to the following agencies / commissions if required:
 - Federal Energy Regulatory Commission
 - Annual Report to Colorado Public Utilities Commission
 - USDA-RUS Report
 - Annual Report to Members

State the exact nature of the business activity of the REPORTING COMPANY in the State of Colorado:

Any Wind farm property in Colorado or system? _____ If Wind Farm property in either System or Colorado, please complete Energy ASOP (EN or EL) instead of rural electric ER ASOP
 For generation facilities, have ALL REQUIRED TOLLING OR PURCHASE POWER AGREEMENTS (PPA's) been included with this return? _____

Describe any important changes which occurred during the previous calendar year such as major acquisitions, divestitures, write-offs and sales of major properties for both the REPORTING COMPANY and its ultimate Parent. Attach additional sheets as necessary:

Is the REPORTING COMPANY a proprietorship, partnership, S corporation, corporation, association, joint venture, other?

Is the REPORTING COMPANY a subsidiary of another corporation? Yes No

What is the NAME of the ultimate PARENT company? _____

Are securities of either the REPORTING or PARENT companies publicly traded?

Common Stock	Yes	No	Preferred Stock	Yes	No
Bonds	Yes	No			

If rate-base regulated, state the allowed rates of return.

Equity: _____ Overall: _____ Rate Base at 12-31-2005: _____

Tax Agents must have a current letter of agency on file with the Division for each company represented.

INCOME STATEMENT - You must complete this page even if you attach an income statement and balance sheet

ACCOUNT TITLE	Parent Company	Reporting Company System				
	2005	2005	2004	2003	2002	2001
1 Operating Revenues						
2 Operating Expenses						
3 Depreciation and Amortization						
4 Operating income before taxes	0	0	0	0	0	0
5 Income taxes on operating income						
6 Net Operating Income	0	0	0	0	0	0
7 Total other income (deductions)						
8 Income taxes on non-operating income						
9 Interest expenses						
10 Income before extraordinary items						

SIX YEAR REPORTING COMPANY SYSTEM NET OPERATING PROPERTY

ACCOUNT TITLE	31-Dec-05	31-Dec-04	31-Dec-03	31-Dec-02	31-Dec-01	31-Dec-00
Net Operating Property - Reporting Co.						
Contributions in aid of Construction						
Total						

BALANCE SHEET - You MUST complete this page even if you attach a copy of your income statement and balance sheet

	Parent Company	Reporting Company System	Reporting Company Colorado
<u>ASSETS</u>			
1 Historical Cost of Plant in Service			
2 Construction work in progress			
3 Intangibles (goodwill, acq. adjustments, etc.)*			
4 Plant held for future use			
5 Capital leases and other property			
6 Inventories, materials and supplies (1)			
7 Total Operating Property	\$ -	\$ -	\$ -
8 Accumulated depreciation and amortization			
9 Net Operating Property (Line 7 - 8)	\$ -	\$ -	\$ -
10 Current Assets (less materials and supplies)			
11 Investments and other assets			
12 All other depreciation and amortization			
13 Total Assets	\$ -	\$ -	\$ -
14 Contributions in aid of construction			
<i>* Line 3: Generating companies: intangibles also include purchase power agreements (PPA's) and tolling agreement (TA's) book value.</i>			
<u>PROPERTY UNDER OPERATING LEASES</u>			
15 Net book value of leased property	N/A		
16 Original cost of leased property	N/A		
17 Lease payment	N/A		
18 Average age of leased property	N/A		
19 Average remaining life of leased property	N/A		
<u>LIABILITIES AND EQUITY</u>			
20 Common stock and paid-in capital			N/A
21 Preferred stock			N/A
22 Retained earnings			N/A
23 Paid In/Patronage			N/A
24 Long-term debt due after one year			N/A
25 Long-term debt due within one year			N/A
26 Current and accrued liabilities			N/A
27 Total other liabilities			N/A
28 Total Liabilities and Equity	\$ -	\$ -	N/A

(1) Includes inventories held for resale, and materials and supplies held for consumption.

[illegible]

Complete schedule if reporting company's debt is not included above.

Market Value

\$ -

S&P:

Moody's:

Total outstanding principal should agree with page 4, line 24, column 2.

If the bonds are publicly traded during the year please use the calendar year monthly average of outstanding bonds and their market values. If market value is derived by means other than listed quotation, explain how it was derived. Report all long term debt net of long term debt due within one year.

Attach additional sheets as necessary

NOT NECESSARY TO COMPLETE IF NON-PUBLICLY TRADED**SCHEDULE OF COMMON STOCK - PARENT COMPANY**

Exchange _____

Symbol _____

Month	High Price	Low Price
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		
TOTALS	\$ -	\$ -
Sum of High and Low Totals		\$ -
Average Price (Sum divided by 24)		\$ -
Number of Shares Outstanding at 12-31-05		
Market Value (# shares outstanding x avg. price)		\$ -

SCHEDULE OF PREFERRED STOCK - PARENT COMPANY

Issue	Number of Shares	Book Value	Average Price	Market Value
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL				\$ -

If preferred stocks are publicly traded during the year, submit a schedule showing monthly average of outstanding stock and their related market prices.

If market value is derived by means other than listed quotations, explain how it was derived.

Attach additional sheets as necessary.

SCHEDULE OF COLORADO DEDUCTIONS FROM OPERATING PROPERTY

	COLORADO NET BOOK VALUE
1. Locally assessed property (note 1)	_____
2. Construction work in progress - personal property portion only (note 2)	_____
3. Licensed vehicles (note 3)	_____
4. Licensed special mobile machinery (SMM) (note 3)	_____
5. Inventories, materials and supplies (note 4)	_____
6. Other Property (note 5)	_____
	\$ -

Notes

1. Only deductible if included in Operating Property Accounts (page 4) and documented on page 11.
2. Attach details including a schedule with project description, county location, and accumulated cost as of 12-31-05.
3. Licensed vehicles and/or SMM machinery **MUST** be included as operating property on page 4 to be deductible.
4. Includes inventories held for resale, and materials and supplies held for consumption.
5. Attach details, including a schedule with property or project description, historical cost, net book value as of 12-31-05, and location. **Otherwise, NO deduction will be allowed.**

(Reporting Company Name)

FOR GENERATION COMPANIES ONLY

Facility Name: _____

	System	Colorado
Generating capacity (KW) - NAME PLATE		
Generating production (MWH)		
Average Achieved Capacity		
Optimal Heat Rate		
Average Heat Rate Achieved		
Date of Construction of Facility/Effective Age	/	/
Date Operations Commenced		
Days in 2005 down for maintaince/repairs?		
Percentage of facility down		
Other Factors of consideration, please provide		

KW - kilowatts

MWH - megawatt hours

It is required that ALL Tolling and Purchase Power Agreements along with any amendments be included as attachment to this return. Have the ALL agreements and amendments been included? _____

APPORTIONMENT TO COLORADO COUNTIES

County	Historic cost of operating property, less historical cost of Colorado deductions	Percent of Total Colo. property	County	Historic cost of operating property, less historical cost of Colorado deductions	Percent of Total Colo. property
Adams		0.0%	Kit Carson		0.0%
Alamosa		0.0%	La Plata		0.0%
Arapahoe		0.0%	Lake		0.0%
Archuleta		0.0%	Larimer		0.0%
Baca		0.0%	Las Animas		0.0%
Bent		0.0%	Lincoln		0.0%
Boulder		0.0%	Logan		0.0%
Broomfield		0.0%	Mesa		0.0%
Chaffee		0.0%	Mineral		0.0%
Cheyenne		0.0%	Moffat		0.0%
Clear Creek		0.0%	Montezuma		0.0%
Conejos		0.0%	Montrose		0.0%
Costilla		0.0%	Morgan		0.0%
Crowley		0.0%	Otero		0.0%
Custer		0.0%	Ouray		0.0%
Delta		0.0%	Park		0.0%
Denver		0.0%	Phillips		0.0%
Dolores		0.0%	Pitkin		0.0%
Douglas		0.0%	Prowers		0.0%
Eagle		0.0%	Pueblo		0.0%
El Paso		0.0%	Rio Blanco		0.0%
Elbert		0.0%	Rio Grande		0.0%
Fremont		0.0%	Routt		0.0%
Garfield		0.0%	Saguache		0.0%
Gilpin		0.0%	San Juan		0.0%
Grand		0.0%	San Miguel		0.0%
Gunnison		0.0%	Sedgwick		0.0%
Hinsdale		0.0%	Summit		0.0%
Huerfano		0.0%	Teller		0.0%
Jackson		0.0%	Washington		0.0%
Jefferson		0.0%	Weld		0.0%
Kiowa		0.0%	Yuma		0.0%
			TOTAL	\$ -	0.0%

SCHEDULE OF NEW CONSTRUCTION AND ASSOCIATED NEW PERSONAL PROPERTY
NEW CONSTRUCTION INFORMATION WILL NOT INCREASE YOUR ASSESSED VALUE.

The Division of Property Taxation is required to report this information to county assessors for state assessed companies. County assessors must certify the value of new construction and destroyed property to taxing entities. Taxing entities need this information to calculate spending and revenue limitations, which are required by constitution and statute. The limit calculations are based in part on the information provided below.

Newly constructed real property is the net book value of any new structure, remodels and additions completed in calendar year 2005. It does not include repairs or general maintenance of existing facilities, or the purchase of existing real property.

New personal property is the net book value of new personal property associated with the newly constructed real property and placed in service in calendar year 2005.

Destroyed real property is the net book value of real property destroyed in calendar year 2005.

REPORT ALL NEWLY CONSTRUCTED REAL PROPERTY IN 2005.

REPORT NEW PERSONAL PROPERTY IF IT IS ASSOCIATED WITH NEWLY CONSTRUCTED REAL PROPERTY IN 2005.

REPORT THE JANUARY 1, 2005 TOTAL NET BOOK VALUE FOR THE PROPERTY TYPE(S).

COUNTY NAME --

(Use a Separate Sheet for Each County)

TOTAL NET BOOK VALUE OF REAL PROPERTY IN THE COUNTY AS OF JAN/1/2005 →

TOTAL NET BOOK VALUE OF PERSONAL PROPERTY IN THE COUNTY AS OF JAN/1/2005 →

**REAL PROPERTY
NEWLY CONSTRUCTED in 2005**
DESCRIPTION

**NEW
REAL PROPERTY
NET BOOK VALUE**

**REAL PROPERTY
DESTROYED in 2005**
DESCRIPTION

**DESTROYED
REAL PROPERTY
NET BOOK VALUE**

TOTAL	

TOTAL	

**PERSONAL PROPERTY
NEW in 2005 and associated with newly constructed real property.**
DESCRIPTION

**NEW
PERSONAL PROPERTY
NET BOOK VALUE**

TOTAL	

Attach additional sheets as necessary.

COUNTY NAME --

(Use a Separate Sheet for Each County)

SCHEDULE OF LOCALLY ASSESSED OWNED OPERATING PROPERTY - REAL ESTATE

List all Colorado operating property (real, not personal) held in fee and locally assessed. Indicate the county parcel identification number and/or schedule number. Include what is reported on Page 4 (Balance Sheet) and deducted on Page 7.

FACILITY NAME / ADDRESS	LEGAL DESCRIPTION/SCHEDULE NO.	NET BOOK VALUE

SCHEDULE OF LOCALLY ASSESSED LEASED OPERATING PROPERTY - REAL ESTATE
LEASED FROM OTHERS, TAXED TO OWNER

LESSOR NAME / ADDRESS	DESCRIPTION	LEASE INCEPTION DATE	LEASE EXPIRATION DATE

Attach additional sheets as necessary.

(Use a Separate Sheet for Each County)

Capitalized leases are entered on the balance sheet. This page is for leases on your non-operating property only.

[illegible]

g:\dpt-grp\sap\ASOP\2006 Rural Electric (ER) ASOP.xls 2/3/2006

Under the "unit value" concept set forth in Colorado statute 39-4-102(1), C.R.S., public utility companies must list all property that is owned, leased, or used in the operation of the public utility in Colorado. Possessory interests in government property used in a revenue-generating capacity are considered property for the purpose of arriving at the Colorado portion for the public utility company. Possessory interests are defined as private property interests on government property that has been granted under lease, permit, license, concession, contract, or other agreement.

[illegible]

*- Lease refers to lease, permit, license, concession, contract, or other agreement.